

REPORT FOLLOW-UP

AGENCY: NORTH CENTRAL DISTRICT HEALTH DEPARTMENT (II)

On October 4, 2006 the Legislative Services Office released an audit report for the North Central District Health Department (II) for fiscal years 2004 and 2005. The District was contacted on December 12, 2006, and this follow-up report addresses how the District has responded to the one finding and recommendation contained in that report.

STATUS OF RECOMMENDATIONS:

FINDING #1 – Approximately \$87,000 in expenditures from a \$447,000 federal grant were not expended in accordance with the grant agreement. The District received and passed federal money to county governments to help offset the additional cost to dispose of the expected increase in solid waste related to the Lewis and Clark Bicentennial. The District's approved grant application with the federal government stated the money would not be used for construction, demolition, or acquisition of assets.

The District made payments to one county for the construction and costs related to weigh scales, and for the elimination of debt related to the purchase of a tractor-loader. We believe these payments are not in accordance with the approved grant application, and that \$86,811 of the \$447,000 is not allowable.

We recommended that the District contact the federal grantor to resolve this issue. Additionally, the District should require program personnel to document expenditure reviews to ensure compliance with all pertinent grant requirements prior to requesting payment approval from the director.

AUDIT FOLLOW-UP – The District has communicated with the federal grantor and has resolved this issue. It has begun to implement a procedure in which program personnel will document their review of expenditures prior to requesting payment approval from the District's director.

STATUS – CLOSED